

Message Text

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ACTION EB-08

INFO OCT-01 AF-08 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 /039 W

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FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC PRIORITY 0000

INFO AMEMBASSY DAR ES SALAAM

AMEMBASSY VICTORIA

AMEMBASSY LONDON

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E.O. 11652: N/A

TAGS: EAIR, KE, TZ

SUBJECT: EAST AFRICAN AIRWAYS

REF: NAIROBI 1198

1. EAST AFRICAN AIRWAYS' BOARD OF DIRECTORS WILL HOLD AN EMERGENCY MEETING TODAY TO REVIEW THE AIRLINE'S FUTURE, FOLLOWING WEEKEND ANNOUNCEMENT BY GOK THAT KENYA REFUSED TO PUMP ANY MORE CAPITAL INTO THE JOINT ENTERPRISE. GOK STATEMENT REJECTED TANZANIAN CHARGES THAT KENYA HAD TAKEN UNILATERAL ACTIONS TO GROUND EAA, CONCEDING ONLY THAT KENYAN ECONOMY COULD NOT ABSORB FURTHER CREDIT ON BEHALF OF AIRLINE WHICH PROVED UNABLE TO OPERATE TO STANDARDS PROVIDED FOR IN COMMUNITY CHARTER. GOK STATED FURTHER THAT IT HAS NOT BEEN CONVINCED THAT EAA ENJOYS SUPPORT OF UGANDA AND TANZANIA, AS DEMONSTRATED BY THEIR CHRONIC FAILURE TO MEET TRANSFER DEADLINES.

2. MEANWHILE, GOK SPOKESMEN REFUSE TO COMMENT ON ALLEGATIONS THAT KENYA INTENDS TO ESTABLISH NATIONAL AIRLINE IN WAKE OF EAA COLLAPSE. KENYA AIRWAYS, NEVERTHELESS, APPEARS FOREGONE

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CONCLUSION, WITH ONLY PROBLEM NOW BEING HOW TO HASTEN DISINTEGRATION OF REGIONAL EAA. EMB UNDERSTANDS THAT KENYA MIGHT BE LIABLE FOR DAMAGE PAYMENTS TO UGANDA AND TANZANIA SHOULD GOK OFFICIALLY OPT OUT OF EAA. TO OVERCOME THIS CONDITION, KENYA TRYING TO PLACE BURDEN OF FORECLOSURE ON PRIVATE INSTITUTIONS, SUCH AS OIL SUPPLIERS. ACCORDING TO LONDON NEWS REPORT IN NAIROBI PRESS, BRITISH

AIRWAYS THREATENING TO CEASE ACCEPTING EAA TICKETS AND OTHER DOCUMENTATION UNDER POOL ARRANGEMENT. NATIONAL BANK OF KENYA APPARENTLY ALSO READY TO ATTACH EAA ASSETS. KENYA'S CAREFULLY WORDED WEEKEND ULTIMATUM COULD BE DECIDING FACTOR IN PERSUADING EAA CREDITORS CLOSE DOWN AIRLINES WHILE SAVING GOK OFFICIAL RESPONSIBILITY FOR COLLAPSE.

3. EAA MAINTAINED LIMITED SERVICE OVER WEEKEND, PRIMARILY ON NAIROBI-COAST ROUTES. FOLLOWING TANGOV GROUNDING OF DC-9 AND TWO FOKKER FRIENDSHIPS AT DAR ES SALAAM NO FURTHER FLIGHTS OPERATED INTO TANZANIA. EAA INTERNATIONAL RELATIONS MANAGER INFORMED EMBOFF TODAY THAT INTERNATIONAL CARRIERS LIKE ETHIOPIAN AIRLINES AND ZAMBIA AIRWAYS HAVE BEEN PERMITTED TO EXERCISE TEMPORARY TRAFFIC RIGHTS ON NAIROBI-DAR ROUTE. PERMISSION, HOWEVER, IS BEING GRANTED ON AD HOC BASIS, THE DAY OF OPERATION. THEREFORE, FOREIGN CARRIERS ARE UNABLE TO ACCEPT ADVANCE BOOKINGS. SITUATION IS SUBJECT TO CHANGE, EVEN ON HOURLY BASIS, SO EMBASSY RECOMMENDS TRAVELLERS CHECK WITH AIRLINE OFFICES IMMEDIATELY PRECEDING DEPARTURE. IF TRAVEL FOR EMERGENCY PURPOSE, SUGGEST ALTERNATIVE -- E.G. CHARTER -- SERVICE BE INVESTIGATED.

4. EMBOFF LEARNED FROM TANZANIAN NATIONAL ON EAA HEADQUARTERS STAFF THAT TANZANIANS AND UGANDAN EMPLOYEES HAVE BEEN TOLD TO "PACK UP" AND PREPARE TO LEAVE KENYA.

DECON 1/31/78.

MARSHALL

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Control Number: n/a
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Sent Date: 31-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Executive Order: N/A
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